

Louisiana Property and Casualty
Insurance Commission
Louisiana Department of Insurance
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Louisiana Property and Casualty
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Monthly Report
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Summary - 2005 Regular Legislative Session

The 2005 Regular Session convened on Monday, April 25th, and the final adjournment was on Thursday, June 23rd. This session was a fiscal session, but allowed each legislator five non-fiscal related bills. There were very few bills passed relating to the property and casualty market. The following are summaries of some of the legislation that address issues related to property and casualty.

House Bill 69 by Representatives Tucker, Scalise and Walsworth and Senators Cain, Kostelka and Lentini provides for a discount for auto liability insurance for active military personnel. This bill amends Act 770 of the 2004 Regular Session pertaining to this subject. The new law would phase in a discount of the auto liability insurance premiums of twelve and a half percent for the period of July 1, 2005 to July 1, 2006, and a twenty-five percent discount beginning July 1, 2006. The bill provides that the discounts are paid for by a credit against the premium taxes owed by the insurer. House Bill 69 has been sent to the Governor for her signature.

House Bill 101 - Act 165 by Representative T. Powell and Senators Chaisson, Mount and Schedler authorizes driver’s license suspension for offenses involving unlawful purchases or possession of alcoholic beverages. The driver’s license could be suspended for 180 days along with the existing criminal penalties for someone under the age of 21 or a person purchasing alcohol on behalf of a person under the age of 21.

House Bill 139 - Act 217 by Representative Morrish provides for the calculation of insurance rates under the Louisiana Citizens Property Insurance Corporation. The Act provides for amending the plan of operation for “Citizens” with the approval by the House and Senate Committees on Insurance. Act 217 provides that the rates for all policies set by “Citizens” exceed by at least 10 percent the rates charged among the ten insurers with the greatest total direct premium in each parish. For mobile home policies issued by “Citizens,” the rates must exceed the rates charged among the top five insurers in each parish by 10 percent. It also requires that the rates charged in a parish must exceed the rates of any insurer that has at least 3 percent of the total premium for that parish by at least 10 percent. The method used to determine the rates shall be set forth in the annual rate review provided by the governing board and shall be documented in the rate filing as required by law.

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- ◆ *The Monthly Report* is the newsletter of the Louisiana Property and Casualty Insurance Commission, Louisiana Department of Insurance, 1702 N. 3rd Street, 3rd Floor, P.O. Box 94214, Baton Rouge, LA 70804-9214 225-342-7187 (PH) 225-342-6057 (FX)
- ◆ *The Monthly Report* may be reprinted with prior permission.
- ◆ The Louisiana Property and Casualty Insurance Commission was created by the enactment of R.S. 22:15 in the 2001Regular Session of the Louisiana Legislature to review and examine the availability and affordability of property and casualty insurance in the state of Louisiana. The commission will also undertake a comprehensive study and provide oversight and enforcement recommendations of the effectiveness of law enforcement and implementation of programs aimed at enforcement throughout the state of those laws and programs which affect property and casualty insurance rates.

LA Property & Casualty Insurance Commission Staff

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House Bill 509 by Representative Triche pertains to violations on an individual’s official operating record. This bill prohibits citations for failing to wear a seatbelt and failing to wear a motorcycle helmet from appearing on an individual’s motor vehicle operating record. It has been sent to the Governor for her signature.

House Bill 687 - Act 258 by Representative K. Carter provides that conversion of policy forms that result in a rate change are subject to the laws governing rate changes. The conversion provided for shall not constitute the cancellation or nonrenewal of any policy and shall not be grounds for the cancellation or nonrenewal of any policy by the insurers.

House Bill 692 - Act 381 by Representative Wooten pertains to ignition interlock devices as a condition of bail. This law requires the court to require an ignition interlock device be installed on any vehicle operated by a person charged with a second or subsequent offense of driving while intoxicated, underage driving under the influence, vehicular homicide and other vehicular negligence as named in the law. This is a condition of release on bail. Failure to comply with this provision results in the revocation of bail and reincarceration of the defendant.

Senate Bill 157 by Senator Chaisson and Representative LaFleur and co-authored by Senator Marionneaux and Representatives Dorsey and Scalise pertains to criminal penalties for third, fourth, and subsequent DWI offenses. The present law requires that the court suspend all but 30 days of the sentence for a third DWI offense, and all but 60 days for a fourth offense. This bill gives the court more discretion in suspending all or a portion of the remainder of the sentence. Senate Bill 157 provides more of a balance between jail time and treatment time of offenders with multiple DWI convictions. Supervised probation for a period of time equal to the remainder of the sentence is still imposed, and it also clarifies the condition of probation involving a six month home incarceration period and substance abuse treatment. Violations of any of the conditions of probation could result in serving the balance of the sentence imposed by law, with no credit for time served under home incarceration. Senate Bill 157 has been sent to the Governor for her signature.

<u>Louisiana Property and Casualty Insurance Commission Members</u>		
Commissioner Robert Wooley		
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H. “Marc” Carter	Kay Hodges	Nicholas Gachassin
Senator James David Cain		Richard Clements
		Chad Brown
		Lorrie Brouse

House Concurrent Resolution 135 by Representatives Johns, K. Carter and Pinac creates a Uniform Building Code Task Force, under the commissioner of insurance, to study current laws and regulations related to the construction of buildings and structures throughout the state and to make recommendations regarding legislation.

The task force will be chaired by the commissioner of insurance or his designee, and will be comprised of the following members or their designees:

1. The chair of the House Insurance Committee.
2. The chair of the Senate Insurance Committee.
3. The chair of the House Commerce Committee.
4. The chair of the Senate Commerce Committee.
5. The deputy commissioner of property and casualty of the Department of Insurance.
6. The chief actuary of the Department of Insurance.
7. The director of the LA Property and Casualty Insurance Commission.
8. The director of the office of facilities planning and control.
9. The commissioner of administration.
10. The assistant director of the office of homeland security/emergency preparedness.
11. The state fire marshal.
12. The director of the LSU Hurricane Center.
13. The project leader of the Louisiana House-Home and Landscape Resource Center.
14. The president of the American Institute of Architects- LA Chapter.
15. The president of Associated General Contractors.
16. The executive director of the Institute for Business and Home Safety.
17. The executive director of the American Insurance Association.
18. The president of the Property and Casualty Insurers’ Association of America.
19. The executive director of the American Insurance Association.
20. The president of the Louisiana Home Builders Association.
21. The president of the Building Officials of Louisiana.
22. The president of the Louisiana Realtors Association.
23. The president of the Louisiana Bankers Association.
24. The president of the Louisiana Municipal Association.
25. The president of the Louisiana Police Jury Association.
26. The executive director of the LA Manufactured Housing Association.
27. The state health officer.

The task force will hold hearings and conduct research in order to submit a report of its findings and recommendations to the governor and the legislature not later than March 1, 2006.